



October 15, 2022

The Honorable Douglas A. Ducey  
Governor of Arizona  
Executive Tower  
1700 West Washington Street  
Phoenix, AZ 85007

Dear Governor Ducey:

I respectfully submit the Arizona Department of Transportation (ADOT) FY 2024 Capital Improvement Plan (CIP). The total funding request in FY 2024 is for \$37,820,200. The request includes \$22,420,200 for building renewal and \$15,400,000 in capital improvement funding.

#### Building Renewal

The buildings and infrastructure within ADOT's system of facilities are in continuous need of maintenance and repair due to age and high usage. ADOT is requesting that the Building Renewal formula be fully funded at 100% in FY 2024. This year's request to fully fund building renewal according to the established formula aligns with ADOT's strategic plan. The funding request of \$22,420,200 includes \$21,978,300 from the Highway Fund and \$441,900 from the Aviation Fund.

#### Capital

The request for new capital project funding of \$15,400,000 represents four important projects. The first request is for the construction of a new, four (4) bay, truck barn with attached office, crew areas, and training room. The amount requested is \$3,400,000. Storing snow-removal and emergency response equipment inside during winter conditions means the crew can respond to incidents and weather events in a timelier and more dependable manner.

The second request of \$2,600,000 will replace vehicle fueling facilities at three locations: Springerville, Holbrook, and Chambers. These sites are strategically located near the I-40 corridor and the US-60 to allow ADOT and other agencies to receive fuel. ADOT manages 57 fueling facilities located throughout the State of Arizona issuing over 4 million gallons of fuel annually. Currently, 16 of the 57 fuel facilities have fueling equipment that is in excess of 30 years in age with single wall tanks. Continued investment is needed to continue the replacement/upgrade of the equipment at these fuel facilities.

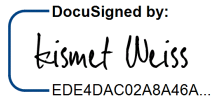
Third, ADOT requests \$4,100,000 to renovate and reconstruct the ADOT Tucson North MVD facility. The project will bring the facility to current ADA and infrastructure codes as well as structurally correct the lobby area to create an open and easily navigated customer service area. The current configuration of the Tucson North MVD building causes conflicts with customer entrance and egress, making it difficult to manage customer flow. MVD has been unable to deploy automation technology, like kiosks, to expand self-service and assisted self-service options because the Tucson North MVD facility must manage the two sides of the building separately with no visibility of the entire lobby area. This project will allow modern MVD operations to be implemented.

Finally, ADOT requests \$5,300,000 to consolidate two current ADOT MVD customer service operations (Tempe and Phoenix South Mountain) into one Consolidated MVD location. ADOT intends to design and construct a new East Valley consolidated MVD facility to be located in an existing ADOT owned warehouse, at 4010 S 43rd Place in Phoenix. A single, larger office is better able to adapt to staffing issues, which manifests in better wait times. Generally, larger offices have wait times of nine minutes or less while mid-sized offices have wait times that exceed 10 minutes. This consolidated facility will be co-located with an ADOT Enforcement and Compliance Inspection Station, and a leased-out space

ADOT and DPS have continued to collaborate and communicate with one another about upcoming CIP needs. The intent is to identify areas where collaboration will accommodate joint projects in an attempt to achieve operational efficiencies and cost savings. No projects in ADOT's FY 2024 CIP request were identified that met DPS' facility requirements and needs. However, this effort and collaboration is now built into the annual process and will continue in the future.

It is imperative that we continue to strategically invest in capital projects that will yield high benefits for years to come. I look forward to discussing the request with you and members of your staff.

Sincerely,

DocuSigned by:  
  
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Kismet Weiss  
Deputy Director, Chief Operating Officer

on behalf of

John S. Halikowski  
ADOT Director

Enclosure

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
TRANSMITTAL STATEMENT**

Form  
CIP-1  
(Rev 1/03)

**AGENCY:** DEPARTMENT OF TRANSPORTATION

**A.R.S. CITATION:** 28-331

**GENERAL FUNDS**

**OTHER APPROPRIATED FUNDS**

**FEDERAL FUNDS**

**NON-APPROPRIATED FUNDS**

**TOTAL REQUEST**

Building Renewal Needs	FY 2024 Capital Request	Total Request
\$ 22,420,200	\$ 15,400,000	\$ 37,820,200
\$ 22,420,200	\$ 15,400,000	\$ 37,820,200

This and the accompanying schedules, statements, and explanatory information, constitute the Capital Budget estimates of this agency for proposed expenditures.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

DocuSigned by:

*Kismet Weiss*

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Signature of Agency Head

Director

Title

John C. Hetzel, Jr.

Request Prepared by

Facilities Manager

Title

602-712-7952

Phone

10/15/2022

Date

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT REQUEST SUMMARY**

**Agency:** DEPARTMENT OF TRANSPORTATION

Form  
CIP-2  
(Rev 1/03)

Priority	Project Name	Project Description	Fund Sources	Total Costs
1	Keams Canyon Maintenance Truck Barn	Keams Canyon Maintenance New Four (4) Bay Truck Barn w/ Office	Highway	\$ 3,400,000
2	Vehicle Fueling Facilities Statewide	Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers	Highway	\$ 2,600,000
3	Tucson North MVD Office Renovation	Renovation of Tucson North MVD Office	Highway	\$ 4,100,000
4	Phoenix Consolidated MVD Office Tenant Improvement	Phoenix Consolidated MVD Office Tenant Improvement	Highway	\$ 5,300,000
		TOTAL OF PROJECTS SUBMITTED		\$ 15,400,000

**STATE OF ARIZONA**  
**FY 2024 CAPITAL IMPROVEMENT PLAN**  
**CAPITAL PROJECT DESCRIPTION**

Form  
CIP-3  
(Rev 2/04)

**Agency:** Arizona Department of Transportation

**Project:** Keams Canyon Maintenance New Four (4) Bay Truck Barn w/ Office

**Priority:** 1

Project Scope		Construction Cost	Total Project Cost
GSF	NASF	\$/GSF	\$/GSF
5,425		\$ 442.40	\$ 626.73

Capital Cost Estimate <sup>1</sup>	
Category	Cost
Land Aquisition	None
Construction	\$ 2,400,000
A & E Fees	\$ 300,000
F F & E	\$ 100,000
Contingency <sup>4</sup>	\$ 600,000
<b>Total</b>	<b>\$ 3,400,000</b>

Proposed Funding <sup>2</sup>	
Funding Source	Amount
Prior Appropriation	
General Fund Request	
Highway	\$ 3,400,000
Other:	
<b>Total</b>	<b>\$ 3,400,000</b>

Estimated Change Annual Facility Operations/Maintenance	
Category	Annual Costs
Utilities	
Personnel*	
Other	
Total	
Fund Source	
*No. of FTE's	

Proposed Funding Schedule <sup>3</sup>				
Total Costs	Prior	FY2024	FY2025	FY2026
\$ 3,400,000		\$ 3,400,000		

Proposed Work Schedule	
Phase	Start Date
Planning	07/01/23
Design	11/01/23
Construction	04/01/24
Occupancy	12/31/25

1) Land Acquisition = land purchase price; Construction = site development, construction, fixed equipment, utility extensions, parking & landscaping;

A&E = architect and engineering and other professional services; FF&E = furniture, fixtures & equipment; Other = telecommunications equipment, etc.

2) List all funding sources and clearly identify proposed state funding request. Section will expand and contract based upon the number of funding sources.

3) Identify the years in which funding will be requested for multi-year funding.

4) Contingency of 25% because of escalating construction costs.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Keams Canyon Maintenance New Four (4) Bay Truck Barn w/ Office

**Priority:** 1

**Problem/Justification**

The existing truck barn in the Keams Canyon maintenance yard was constructed in 1962. The size of the current facility is too small for the modern snow removal equipment to be enclosed in the winter months, and currently causes this equipment to be difficult to initiate into service due to being parked outside in cold weather. The office facility and crew areas being used by the unit is in an older repurposed residential double-wide trailer, and is lacking required functions and ADA accessibility.

**Proposed Solution**

Construct a new four (4) bay truck barn with attached office, crew areas, and training room. This will facilitate the properly sized indoor storage of snow-removal equipment during winter conditions, and it will also provide Equipment Services personnel with a safe area to service and repair equipment when needed. The new office and crew areas will provide modern, updated work areas for the supervisor and the crew. The area will also provide employees with ADA compliant restrooms, locker room, and ready/conference room.

**Benefits**

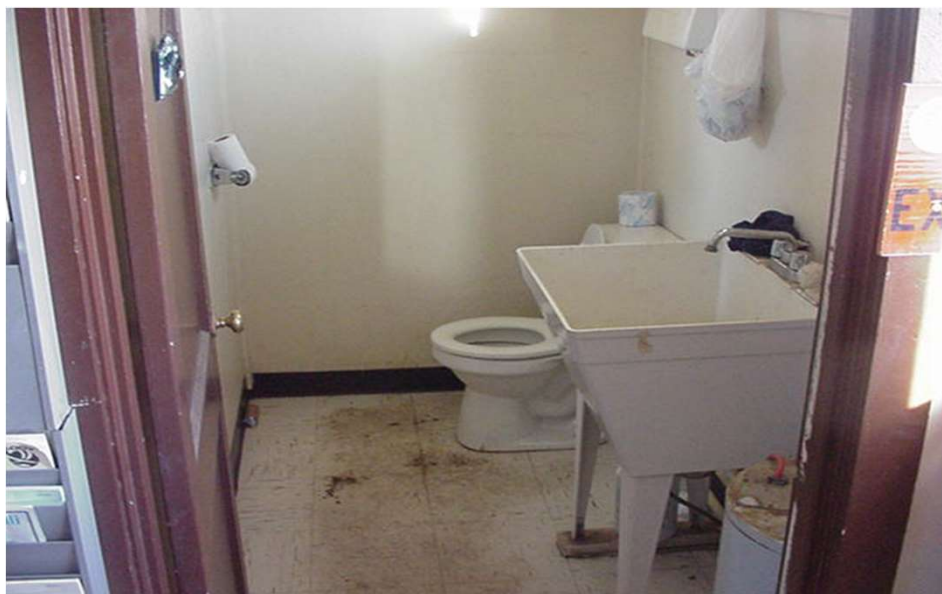
Storing snow-removal and emergency response equipment inside during winter conditions means the crew can respond to incidents and weather events in a timelier and more dependable manner, due to reduction in warm-up time. The new truck barn will also upgrade the area where equipment is serviced and repaired. Incorporating the crew areas into the truck barn construction will allow the removal of the aging office trailer on the site, and will greatly reduce energy costs for the operation of these spaces. The current and smaller existing truck barn will continue to be utilized for smaller equipment.

**Consequences of Deferral**

Snow-removal and emergency response equipment will continue to be stored outside, which will continue to create time delays and potential equipment failures during emergencies and cold weather events. The current truck barn is outdated and does not meet the needs of modern ADOT snow removal equipment. Utility costs for the old buildings will continue to be high, due to the age and condition of these facilities, and due to the rural availability of heating fuel.

**Coordination with the Department of Public Safety (DPS)**

ADOT coordinated with DPS regarding this project; DPS stated that it didn't have any facility requirements that could be addressed by this project.







**STATE OF ARIZONA**  
**FY 2024 CAPITAL IMPROVEMENT PLAN**  
**CAPITAL PROJECT DESCRIPTION**

Form  
CIP-3  
(Rev 2/04)

**Agency:** Arizona Department of Transportation

**Project:** Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers

**Priority:** 2

Project Scope		Construction Cost	Total Project Cost
GSF	NASF	\$/GSF	\$/GSF
		N/A	N/A

Capital Cost Estimate <sup>1</sup>	
Category	Cost
Land Aquisition	None
Construction	\$ 2,000,000
A & E Fees	\$ 100,000
F F & E	\$ -
Contingency <sup>4</sup>	\$ 500,000
<b>Total</b>	<b>\$ 2,600,000</b>

Proposed Funding <sup>2</sup>	
Funding Source	Amount
Prior Appropriation	
General Fund Request	
Highway	\$ 2,600,000
Other:	
<b>Total</b>	<b>\$ 2,600,000</b>

Estimated Change Annual Facility Operations/Maintenance	
Category	Annual Costs
Utilities	
Personnel*	
Other	
Total	
Fund Source	
*No. of FTE's	

Proposed Funding Schedule <sup>3</sup>				
Total Costs	Prior	FY2024	FY2025	FY2026
<b>\$ 2,600,000</b>		\$ 2,600,000		

Proposed Work Schedule	
Phase	Start Date
Planning	7/1/2023
Design	1/1/2024
Construction	1/1/2025
Occupancy	12/31/2025

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**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers

**Priority:** 2

**Problem/Justification**

The ADOT Equipment Services, Fuel Systems Management Group manages 57 fueling facilities located throughout the State of Arizona issuing over 4 million gallons of diesel, unleaded and E-85 fuel annually.

The fuel systems operation currently does not receive funds for replacement/upgrade of equipment after the total lifecycle has been depleted. ADOT's fueling network is the main source of energy for the agency's day-to-day operations and serves as the main fueling infrastructure in case of a State emergency. Some years ago ADOT was granted funds from the legislature to install fuel islands and at the same time was identified as the states fuel supplier going forward. This enterprise model eliminates other agencies requesting funds for fueling infrastructures and allows agencies to fuel at ADOT. As a result, agencies such as Department of Public Safety, Department of Administration, County Sheriff Departments, and over 40 other municipalities utilize ADOT's fueling systems through an intergovernmental agreement process. The fuel sites also provide fuel for snow removal activities, emergency first responders, and specialized equipment for general roadway maintenance crews.

An evaluation was performed on the agency's 108 Aboveground Storage Tanks (AST), Underground Storage Tanks (UST), and the associated piping systems. Each fuel system was evaluated based on four factors; age of tank, age of connected piping, materials used, and type of tank either single or double wall construction. This study was conducted by Scott Chandler, Devin Darlek and James Brown, with over 80 years combined fuel system experience. These individuals are ADOT's subject matter fuel systems experts. The average lifecycle for a typical fueling system is 30 years.

Currently, we have 16 of 57 fuel facilities that have fueling equipment that is in excess of 30 years in age with single wall tanks. The most critical sites in need of total system replacement are Springerville, Holbrook, and Chambers . These sites are strategically located near the I-40 corridor and the US-60 to allow ADOT and other agencies to receive fuel.

The State Risk Management office completed a review of State Agency owned USTs in 2016. This was based on research from the Arizona Department of Environmental Quality (ADEQ) records. In this report they concluded the service life of a UST is roughly 20-30 years. Risk Management noted that agencies should assess the continued need for older gasoline USTs because of the high risk of the UST failing and causing pollution. Additionally, subsurface contamination due to slow leaks may exist even if the inventory control and leak detection systems do not indicate a release. Most leak detection and inventory control methods can only detect releases that exceed 150 gallons per month. State Risk believes the best method to monitor USTs for leaks is by checking the interstitial space of the tank and the piping.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers

**Priority:** 2

**Problem/Justification (continued)**

The diesel tanks have 30+ years of sludge in the bottom of the tank that clogs the filters faster than normal. Pieces of clear coat have been found in the filter screen. This is usually the first sign of major degradation in the Fiberglass Reinforced Plastic (FRP) UST. This is a problem since the clear coat which is more resistant to the chemicals in the fuel is the main protective coating for the FRP tank.

Methanol residue in the bio-diesel (added to diesel fuel to improve lubricity) appears to have a similar effect as ethanol when reacting with the fiberglass tanks constructed prior to 1983. The alcohols have an affinity for water causing the water to coalesce out of the fuels and settle on the bottom of the tank. The microbes living in the water eat the fuel and excrete acetic acid as a waste product. Acetic acid has been demonstrated to damage both FRP and steel tank which can damage the tank structure. The other issue is the alcohols in the fuel can react with the FRP resin on these tanks to degrade and dissolve the resin. Over time it is possible the alcohols can soften the resin, increasing the likelihood for tank to have a structural failure. The result would be a fuel leaking into the environment.

Diesel tanks also have red thread A.O Smith fiberglass product lines. Neither the red thread piping nor the glue kits used to assemble them claimed to be Ethanol compatible. The red thread pipe line was replaced with green thread and later with silver thread by the manufacturer in an effort to keep the piping certifiable for use with the ever changing fuel blends mandated by the EPA (including ethanol and other chemicals introduced into the unleaded fuel to reduce emissions).

Unfortunately, the ultra-low Sulphur fuel (15 PPM) has also shown to have detrimental effects on the diesel fueling equipment. The largest problem is the fuel ""drying"" out the seals of the dispensing equipment. These product lines are not a ""safe system"" meaning if a problem was to develop in the piping the fuel could seep into the surrounding soil and evade detection. The EPA rule mandates precision line testing once every three years. ADOT has implemented a more rigorous testing regime: we test once per year. Even with a more aggressive testing schedule, the possibility still exists for the lines to leak before detection.

ADOT recommends replacing these systems prior to them failing and or causing pollution into the environment. Additionally, as these sites continue to age the amount of spare parts, breakdown, service calls and time out-of-service will continue to rise. The sites below have the year when the tanks and piping were installed.

- Springerville: Tanks installed 1985, pipes installed 1999
- Holbrook: Tanks installed 1983, Diesel piping installed 1983 and Unleaded piping installed 1997
- Chambers: Unleaded tank and piping installed 1996, Diesel tank and piping installed 1985

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers

**Priority:** 2

**Proposed Solution**

The proposed solution is to replace the entire fueling system at Springerville, Holbrook, and Chambers . This includes the underground storage tanks, all piping, sumps, dispensers, fuel booth canopy etc.

The proposed replacement would be to add two new 12,000 aboveground storage tanks (AST) built to the UL 2085 standard and piped to a remote fuel island. To comply with federal regulations, we recommend double wall piping sumps, dispenser pans, connected by double wall piping running through a chase pipe. The chase pipe allows for product line replacement without the need for excavation in the event of a piping failure. We recommend an OPW flex work pipe, Gas Boy dispenser, Red Jacket submersible sump pumps, Veeder Root 450 for Automatic Tank Gauge (ATG) with all the containment structures continuously monitored for leaks by the ATG. The electronic monitoring fulfills the 2015 EPA requirement for monthly inspections that took effect October 2018. There should be containment around off-loading header and sensors in piping sump and dispensers. Lastly, we recommend a fuel island canopy with LED lighting and a booth to store the Fuel Force, spill kit etc.

ADOT requests the project be appropriated for a period of 3 years to ensure the project can be completed within the allotted timeframes.

**Benefits**

The new fueling facilities at Springerville, Holbrook, and Chambers would provide a reliable fueling system that supports 51,000 fuel transactions, with 571,000 gallons of Diesel and Unleaded fuel issued annually.

The two main benefits for this fuel facility replacement are to have a dependable fueling system and protect the environment against a fuel leak. Additionally, these systems will reduce the amount of time to repairing the 30+ year old systems.

A modern AST system consists of double wall tank with monitoring between the two shells of the tank structure. The tanks are built to the 2018 standard are two-hour fire and ballistic rated. Liability insurance is less expensive for an AST system since the entire storage tank area can be visually inspected to verify the tanks are not leaking fuel and are therefore safer than a UST storage system. The ASTs are located at a safe distance away from the fuel island; this provides an additional level of safety for the customer since they can stay outside of the fuel storage area during fuel off-loading.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Replace Three Fueling Facilities at Springerville, Holbrook, and Chambers

**Priority:** 2

**Consequences of Deferral**

If current conditions remain at the fueling facilities, the probability of a fuel release will increase each year. The aging fueling equipment will breakdown more frequently. This will lead to costly repairs and downtime leaving the site out-of-service more frequently; resulting in customers searching for fueling locations. This could be a major problem with large equipment such as snow plows etc. especially during a snow emergency coupled with a loss of utility power (these fuel sites are equipped with emergency power back-up systems). Additionally, if the site has a fuel release or is not in-compliance, ADOT could receive fines up to \$10,000 per day or pay for expensive remediation fees to clean-up the site.

Everything has a usable lifespan and the life can be prolonged by carefully maintaining the equipment but eventually it will fail. Fuel storage tank manufacturers provide a maximum of 30 year guarantee on the storage tanks they manufacturer. The 30 year timeframe is based on historical data that has been gathered since fuel has been stored in large tanks to service the motoring public.

The FRP tanks are immune to rust but not from the newer fuel formulations. All the major tank manufacturers claim zero compatibility with Ethanol for tanks manufactured prior to 1983; that has presented a problem since Ethanol began to replace MTBE 15 years ago. The mandate was for 10% Ethanol and 90% gasoline but due to splash blending concentrations as high as 22% were found by regulators. Rules were put into place that prohibited splash blending to insure that 10% was being delivered to the customer's storage tanks. There have been many reports of FRP tanks failing at the seams or sometimes the entire tank bottom. ADOT has experienced a failed FRP tank in 2017 at our Avondale facility and 2021 at our Needle Mountain facility. At the Avondale facility, an interior video shows massive damage to the clear coat lining of the tank as well as resin deterioration to the point that the fiberglass mesh was clearly visible in many parts of the tank bottom. Fortunately, the automatic tank gauge warned of the impending failure and ADOT was only unable to account for approximately 178 gallons after immediately responding to the data indicating a problem. Environmental characterization of the Avondale tank pit indicated the hydrocarbons and chemicals were well below the action levels mandated by the EPA so the site was successfully closed with no further remediation necessary.

**Coordination with the Department of Public Safety (DPS)**

ADOT coordinated with DPS regarding this project; DPS stated that it didn't have any facility requirements that could be addressed by this project.

**STATE OF ARIZONA**  
**FY 2024 CAPITAL IMPROVEMENT PLAN**  
**CAPITAL PROJECT DESCRIPTION**

Form  
CIP-3  
(Rev 2/04)

**Agency:** Arizona Department of Transportation

**Project:** Tucson North MVD Office Renovation

**Priority:** 3

Project Scope		Construction Cost	Total Project Cost
GSF	NASF	\$/GSF	\$/GSF
7,350		\$ 340.14	\$ 557.82

Capital Cost Estimate <sup>1</sup>	
Category	Cost
Land Aquisition	
Construction	\$ 2,500,000
A & E Fees	\$ 300,000
F F & E	\$ 400,000
Temp Office Space	\$ 300,000
Contingency <sup>4</sup>	\$ 600,000
<b>Total</b>	<b>\$ 4,100,000</b>

Proposed Funding <sup>2</sup>	
Funding Source	Amount
Prior Appropriation	
General Fund Request	
Highway	\$ 4,100,000
Other:	
<b>Total</b>	<b>\$ 4,100,000</b>

Estimated Change Annual Facility Operations/Maintenance	
Category	Annual Costs
Utilities	
Personnel*	
Other	
Total	
Fund Source	
*No. of FTE's	

Proposed Funding Schedule <sup>3</sup>				
Total Costs	Prior	FY2024	FY2025	FY2026
<b>\$ 4,100,000</b>		\$ 4,100,000		

Proposed Work Schedule	
Phase	Start Date
Planning	7/1/2023
Design	11/1/2023
Construction	4/1/2024
Occupancy	12/31/2025

1) Land Acquisition = land purchase price; Construction = site development, construction, fixed equipment, utility extensions, parking & landscaping;

A&E = architect and engineering and other professional services; FF&E = furniture, fixtures & equipment; Other = telecommunications equipment, etc.

2) List all funding sources and clearly identify proposed state funding request. Section will expand and contract based upon the number of funding sources.

3) Identify the years in which funding will be requested for multi-year funding.

4) Contingency of 25% because of escalating construction costs.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Tucson North MVD Office Renovation

**Priority:** 3

**Problem/Justification**

The current ADOT Tucson North MVD facility is an inefficient and operationally cumbersome facility for employees and public customers to perform and receive services due to the dated layout, and awkwardness of the later expansion. Lobby and staging areas are difficult and confusing to navigate for customers, and impossible for staff to effectively queue and oversee customer positioning and control wait times. The building was constructed in the 1970s and an addition was constructed in the 1990s. The building lacks ADA compliant accesses and restrooms, and interior operational areas do not respond well to modern MVD programs. Building infrastructures are aging and in need of replacement.

**Proposed Solution**

ADOT intends to completely renovate and reconstruct the facility to bring it to current ADA and infrastructure codes, and to Structurally correct the lobby area to create an open and easily surveilable and navigared customer service area, allowing modern MVD operations to be implemented. The renovations will include replacement of roof beams and structural reconfiguration to create open space, renovation of all electrical, mechanical and plumbing systems, and upgrade of roofing and interior finishes to modern and maintainable levels. Exterior will involve parking repaving and exterior updating for a new, easier to use entrance and better ADA accommodations.

**Benefits**

The modernization of this facility will provide a more effective and efficient customer experience, will modernize aging systems and finishes throughout the building, and will accommodate the programmatic functions of the current MVD practices. The renewal of this facility will provide ADOT with 30 to 40 years of extended life expectancy for the facility, and greatly reduce maintenance costs and efforts.

**Consequences of Deferral**

The current facility will continue to decline and increase in cost of maintenance and repairs. The current customer areas will continue to be inefficient and difficult to manage.

**Coordination with the Department of Public Safety (DPS)**

ADOT coordinated with DPS regarding this project; DPS stated that it didn't have any facility requirements that could be addressed by this project.

**STATE OF ARIZONA**  
**FY 2024 CAPITAL IMPROVEMENT PLAN**  
**CAPITAL PROJECT DESCRIPTION**

Form  
CIP-3  
(Rev 2/04)

**Agency:** Arizona Department of Transportation

**Project:** Phoenix Consolidated MVD Office Tenant Improvement

4

Project Scope		Construction Cost	Total Project Cost
GSF	NASF	\$/GSF	\$/GSF
14,000		\$ 242.86	\$ 378.57

Capital Cost Estimate <sup>1</sup>	
Category	Cost
Land Aquisition	
Construction	\$ 3,400,000
A & E Fees	\$ 400,000
F F & E	\$ 600,000
Contingency <sup>4</sup>	\$ 900,000
<b>Total</b>	<b>\$ 5,300,000</b>

Proposed Funding <sup>2</sup>	
Funding Source	Amount
Prior Appropriation	
General Fund Request	
Highway	\$ 5,300,000
Other:	
<b>Total</b>	<b>\$ 5,300,000</b>

Estimated Change Annual Facility Operations/Maintenance	
Category	Annual Costs
Utilities	
Personnel*	
Other	
Total	
Fund Source	
*No. of FTE's	

Proposed Funding Schedule <sup>3</sup>				
Total Costs	Prior	FY2024	FY2025	FY2026
\$ 5,300,000		\$ 5,300,000		

Proposed Work Schedule	
Phase	Start Date
Planning	7/1/2023
Design	11/1/2023
Construction	4/1/2024
Occupancy	12/31/2025

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4) Contingency of 25% because of escalating construction costs.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form

CIP-4

Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Phoenix Consolidated MVD Office Tenant Improvement

**Priority:** 4

**Problem/Justification**

ADOT has two MVD offices located in Tempe and South Mountain that are 10 miles from each other. Consolidating these MVDs the department can operate out of a smaller space than the combined sizes of the 2 older locations. The Tempe location (10,428 SF) was built in 1989 and the South Mountain location (11,400 SF) was built in 1992. By operating out of newer and smaller (~14,000 vs. 21,828 SF) space, the operations costs of the new consolidated facility will be less.

In FY 2022, these offices served nearly 200,000 customers, so even small improvements in wait times will result in thousands of hours less time that our customers will spend waiting in lines. ADOT has analyzed workload patterns and believe we can better serve our customers in larger offices than in smaller and middle-sized ones, due to the flexibility afforded from having a larger staff and more windows for CSRs where our customers can transact business. Many of these customers would not have to travel significantly farther to reach the new MVD office, though some may. Other customers in Tempe and the Ahwatukee neighborhoods of Phoenix would also be closer to the new MVD office than they are to any current office. Further, as more and more transactions become available online, the need to visit an MVD office will become rarer, which will make it all the more important for MVD to take advantage of the flexibility afforded by a larger, regional office as opposed to smaller community offices that either sit fallow or slow to a crawl or have small upticks in foot traffic.

**Proposed Solution**

ADOT intends to design and construct a new East Valley consolidated MVD facility to be located in an existing ADOT owned warehouse, at 4010 S 43rd Place in Phoenix, located within an industrial park. This consolidated facility will be co-located with ADOT Enforcement and Compliance Inspection Station, and a leased out space. The proposed MVD office will share parking space and circulation areas. There is approximately 18,000SF of available contiguous undeveloped space available for this project at this location of which about 14,000 SF will be required.

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
CAPITAL PROJECT DESCRIPTION**

Form  
CIP-4  
Rev (2/04)

**Agency:** Arizona Department of Transportation

**Project:** Phoenix Consolidated MVD Office Tenant Improvement

**Priority:** 4

**Benefits**

ADOT expects savings by consolidating these locations and reducing our overall square footage. In FY 2022 the Tempe office and the South Mountain office cost ~ \$108,000 on janitorial services, parking lot sweeping, water and electricity, and other related services. By making this change, ADOT will be reducing its square footage from a combined 22,000 square feet to about 14,000 square feet, a decrease of 36 percent. A comparable decrease in utility and service costs could save the Department at least \$39,000 per year.

The new office will draw the vast majority of the customer volume for the Tempe and South Mountain MVD offices, though about 10 percent of the customer base at those two offices may be closer to the Scottsdale and West Phoenix MVD offices. As a result, MVD expects that 3 of Tempe's 26 staff members will be reallocated to Scottsdale and that 2 of South Mountain's 16 staff members will be reallocated to the West Phoenix MVD, creating a new Central Phoenix MVD office with 37 staff. This will also increase the FTE allocations for Scottsdale and West Phoenix to 25 and 27 respectively. This will be a benefit because a single larger office is generally better able to adapt to staffing issues than 2 smaller offices, which manifests in better wait times for customers. Our larger offices, like Southeast Mesa, Tucson Regional, Scottsdale, and West Phoenix had customer wait times around 9 minutes or less in FY 2022, while most of our mid-sized offices had wait times over 10 minutes. South Mountain customers in particular had wait times over 15 minutes.

**Consequences of Deferral**

Deferment would continue inefficiencies in operating, maintaining, and staffing MVD two locations that service the same customer base. Deferment will also not improve customer service and continue longer wait times.

**Coordination with the Department of Public Safety (DPS)**

ADOT coordinated with DPS regarding this project; DPS stated that it didn't have any facility requirements that could be addressed by this project.

**STATE OF ARIZONA**  
**FY 2024 CAPITAL IMPROVEMENT PLAN**  
**FY 2025-2026 TWO YEAR CAPITAL PROJECT FORECAST**

Form

CIP-5

(Rev 1/03)

Agency: DEPARTMENT OF TRANSPORTATION

Year	Project Name	Project Description	Total Costs
FY25	Vehicle Fueling Facilities Statewide	Replace vehicle fueling facilities at 3 locations	\$ 2,600,000
FY25	Yuma Maintenance Office	Construct Replacement Roadway Maintenance Office	\$ 2,200,000
FY25	Kayenta Maintenance Office	Construct New 4 Bay Equipment Barn and Rehab Existing Office	\$ 4,300,000
FY25	Gray Mountain Maintenance Office	Construct New Roadway Maintenance Office and Crew Room	\$ 2,200,000
FY25	Avondale Vehicle Repair Shop	Construct New 3 Bay Vehicle Repair Shop	\$ 3,200,000
		<b>SUBTOTAL</b>	<b>\$ 14,500,000</b>
FY26	Springerville Maintenance New Equipment Barn	Construct New 8 Bay Equipment Barn	\$ 1,980,000
FY26	Vehicle Fueling Facilities Statewide	Replace vehicle fueling facilities at 3 locations	\$ 2,600,000
FY26	Payson Roadway Office & Signing/Signal Shop	Construct New Multi-Use Building to Replace Trailers	\$ 2,990,000
FY26	Mesa Vehicle Repair Shop	Construct New 4 Bay Vehicle Repair Shop	\$ 1,485,000
		<b>SUBTOTAL</b>	<b>\$ 9,055,000</b>
		<b>TOTAL</b>	<b>\$ 23,555,000</b>

**STATE OF ARIZONA  
FY 2024 CAPITAL IMPROVEMENT PLAN  
BUILDING RENEWAL FORECAST**

Form  
CIP-6  
(Rev 1/03)

**Agency:** **DEPARTMENT OF TRANSPORTATION**

**FUND SOURCE: STATE HIGHWAY FUND**

<b>Primary Category</b>	<b>FY 2024</b>	<b>FY 2025</b>
Fire Life Safety	\$ 605,817	\$ 605,817
Roofs	\$ 1,575,123	\$ 1,575,123
Exterior Building Finishes	\$ 2,197,781	\$ 2,197,781
Major Building Systems	\$ 4,604,206	\$ 4,604,206
Interior Building Finishes	\$ 1,817,450	\$ 1,817,450
Major Renovation	\$ 7,421,859	\$ 7,421,859
ADA Accessibility	\$ 121,163	\$ 121,163
Infrastructure	\$ 3,634,900	\$ 3,634,900
<b>Totals</b>	<b>\$ 21,978,299</b>	<b>\$ 21,978,299</b>

**FUND SOURCE: STATE AVIATION FUND**

<b>Primary Category</b>	<b>FY 2024</b>	<b>FY 2025</b>
Fire Life Safety	\$ 9,446	\$ 9,446
Roofs	\$ 9,446	\$ 9,446
Exterior Building Finishes	\$ 47,231	\$ 47,231
Major Building Systems	\$ 56,488	\$ 56,488
Interior Building Finishes	\$ 28,338	\$ 28,338
Major Renovation	\$ 257,879	\$ 257,879
ADA Accessibility	\$ 2,834	\$ 2,834
Infrastructure	\$ 30,228	\$ 30,228
<b>Totals</b>	<b>\$ 441,889</b>	<b>\$ 441,889</b>

**STATE OF ARIZONA**  
**FY 2022 CAPITAL PROJECT STATUS REPORT**

Form

CIP-7

(Rev 1/03)

Agency:

**DEPARTMENT OF TRANSPORTATION**

Project Name (\$100,000 or greater)	Appropriation Number	Primary Category	Fund Source	FY2022 Expenditures	Total Costs	Estimated Total Costs	Completion Date
FY2020 Seligman/Williams Maintenance Buildings (HWY)	DT55930	NC	SHF	\$ 1,888,865	\$ 2,017,161	\$ 2,300,000	FY22
FY2020 Wickenburg New Buildings (HWY)	DT55940	NC	SHF	\$ 252,030	\$ 538,859	\$ 4,600,000	FY23
FY2022 Wickenburg New Buildings (HWY)	DT55940	NC	SHF	\$ -	\$ -	\$ 3,150,000	FY23
FY2022 Liquid Brine Tanks (HWY)	DT55600	NC	SHF	\$ 112,365	\$ 112,365	\$ 1,950,000	FY24
FY2022 Fueling Stations (HWY)	DT55610	NC	SHF	\$ -	\$ -	\$ 1,800,000	FY24
<b>Subtotal: Projects more than \$100,000</b>				<b>\$ 2,253,260</b>	<b>\$ 2,668,385</b>	<b>\$ 13,800,000</b>	

**Projects less than \$100,000 (summed by primary category)**

New Building Construction							
New Infrastructure							
Fire Life Safety			Renewal	\$ 288,329		\$ 288,329	FY22
Roofs			Renewal	\$ 418,798		\$ 418,798	FY22
Exterior Building Finishes			Renewal	\$ 724,569		\$ 724,569	FY22
Major Building Systems			Renewal	\$ 3,551,030		\$ 3,551,030	FY22
Interior Building Finishes			Renewal	\$ 398,222		\$ 398,222	FY22
Major Renovation			Renewal	\$ 5,784,108		\$ 5,784,108	FY22
ADA Accessibility			Renewal	\$ 150,152		\$ 150,152	FY22
Infrastructure			Renewal	\$ 1,634,981		\$ 1,634,981	FY22
Land Acquisitions							
Land Sales							
<b>Subtotal: Projects less than \$100,000</b>				<b>\$ 12,950,189</b>	<b>\$ -</b>	<b>\$ 12,950,189</b>	
<b>Grand Totals</b>				<b>\$ 15,203,449</b>	<b>\$ 2,668,385</b>	<b>\$ 26,750,189</b>	

**STATE OF ARIZONA**  
**ARIZONA DEPARTMENT OF TRANSPORTATION**  
**DEPARTMENT OF TRANSPORTATION BUILDING SYSTEM BUILDING INSPECTIONS**  
**BUILDING CONDITION RECAP – July 1, 2021 to June 30, 2022**

During Fiscal Year 2022, the Department of Transportation conducted 305 inspections of existing structures in the ADOT Building System per ARS 41-793. Upon completion of the inspections, written reports were prepared and the following action(s) taken:

1. The Inspection results were discussed with the Regional Physical Plant Directors.
2. In some cases there were Service Work Orders created In the Tririga Work Order Tracking System
3. In other cases the necessary work is being submitted for building renewal consideration.

Facility inspections that were conducted included Building, Structural, Roofing, Mechanical, Plumbing, Electrical, Fire Sprinkler, ADA, and the Site.

Buildings Inspected
305

The condition of the facilities inspected in the past year range from good to poor. A majority of the facilities inspected were determined to be in good or fair condition where good condition means little or no repairs are required and fair condition means in need of some minor repairs.

A detailed listing of the ADOT Building System inventory is on file in the ADOT Facilities Management & Support Group office.

Electronic files of all inspection reports are on file in the ADOT Facilities Management & Support Group office word document file system.

This report was prepared by ADOT State Building Inspector.

**STATE OF ARIZONA**  
**ARIZONA DEPARTMENT OF TRANSPORTATION**  
**DEPARTMENT OF TRANSPORTATION BUILDING SYSTEM INVENTORY**  
**BUILDING INVENTORY RECAP – JUNE 30, 2022**

The Department of Transportation's Building System includes an inventory of all buildings and structures. For purposes of planning and risk management, the Facilities Management and Support Group of the Department of Transportation has compiled an inventory of 1,429 buildings and structures that have a total square footage of approximately 3,706,759 and a replacement value estimated at \$1,117,898,353. The valuation is based primarily upon the Marshall Valuation Service, R.S. Means estimating and actual past costs. The building inventory is updated annually and utilized in the formula for determining the amount for the Building Renewal Program.

The Department of Transportation's building inventory is distributed and valued as follows:

<b>Fund Source</b>	<b># of Buildings</b>	<b>Square Footage</b>	<b>Repl. Costs</b>	<b>FY 2023 Renewal Costs</b>	<b>Proj. FY 2024 Renewal Costs</b>
<b>Highway</b>	1,386	3,613,902	\$1,088,996,171	\$18,139,400	\$21,978,300
<b>Aviation</b>	43	92,857	\$28,902,182	\$467,800	\$441,900
<b>Totals</b>	<b>1,429</b>	<b>3,706,759</b>	<b>\$1,117,898,353</b>	<b>\$18,607,200</b>	<b>\$22,420,200</b>

A detailed listing of the ADOT Building Inventory is on file in the ADOT Facilities Management and Support Group office.